This listing of claims will replace all prior versions and listings of claims in the application.

Listing of Claims:

Claims 1-9 (cancelled).

10. (currently amended) An observation optical system comprising:

an objective optical part which forms an image of an object, and has a first lens unit with a negative power and a second lens unit with a positive power arranged from an object side in the order named, said second lens unit ~~being capable of moving in a direction including a component perpendicular to an optical axis to stabilize an image~~said second lens being capable of swinging about a point on the optical axis to stabilize an image;

an image inverting ~~prism~~ part which converts an image formed by said objective optical part into an erect image; and

an eyepiece optical part which guides the erect image converted by said image inverting part to an observer, wherein letting β be a magnification of said second lens unit, an antivibration sensitivity Si of said second lens unit satisfies a condition defined by

$$|Si| = |1 - \beta| > 1.$$

Claim 11 (cancelled).

12. (new) An observation optical system comprising:

an objective optical part which forms an image of an object, and has a first lens unit with a negative power and a second lens unit with a positive power arranged from an object side in the order named, said second lens unit being capable of moving in a direction including a component perpendicular to an optical axis to stabilize an image; wherein letting Fo be a focal length of the overall objective optical part, f1 be a focal length of said first lens unit, f2 be a focal length of said second lens unit, and D12 be a distance between said first lens unit and said second lens unit, conditions defined by

$$0.1 \leq -Fo/f1 \leq 1.0$$
$$1.1 \leq Fo/f2 \leq 3.0$$
$$0.01 \leq D12/Fo \leq 0.2$$

are satisfied;

an image inverting prism part which converts an image formed by said objective optical part into an erect image; and

an eyepiece optical part which guides the erect image converted by said image inverting part to an observer.

13. (new) A system according to claim 12, wherein said first lens unit consists of one positive lens element and one negative lens element, and said second lens unit consists of one positive lens element.

14. (new) A system according to claim 13, wherein said first lens unit has a positive lens element with a convex surface facing the object side and a negative lens element with a concave surface facing the image side which are arranged from the object side in the order named.

15. (new) A system according to claim 13, wherein said first lens unit consists of a lens component formed by cementing the positive lens element to the negative lens element.

16. (new) A system according to claim 13, wherein said second lens unit consists of a positive lens element having a convex surface facing the object side.

17. (new) An observation optical system comprising:

an objective optical part which forms an image of an object, and has a first lens unit with a negative power and a second lens unit with a positive power arranged from an object side in the order named, said second lens unit being capable of swinging about a point on the optical axis to stabilize an image;

an image inverting part which converts an image formed by said objective optical part into an erect image; and

an eyepiece optical part which guides the erect image converted by said image inverting part to an observer,

wherein, letting Fo be a focal length of the overall objective part and Tc be a distance from a vertex of an object-side surface of said second lens unit to a swing center (when an image direction is a positive direction), the condition defined by

$0.1 \leq Tc/Fo \leq 0.7$

is satisfied.

18. (new) The system according to claim 17, wherein letting f1 be a focal length of said first unit, f2 be a focal length of said second lens unit, and D12 be a distance between said first and said second lens unit, conditions defined by

$$0.1 \leq -Fo/f1 \leq 1.0$$

$$1.1 \leq Fo/f2 \leq 3.0$$

$$0.01 \leq D12/Fo \leq 0.2$$

are satisfied.